

United States Department of the Interior

TAKE PRIDE

BUREAU OF LAND MANAGEMENT Color Country District Office Cedar City Field Office

176 East DL Sargent Drive Cedar City, UT 84721 Telephone (435) 586-2401 www.blm.gov/ut/st/en/fo/cedar_city.html

In Reply Refer To: UTC01 3809: UTU-82071-A2

September 18, 2012

RECEIVED

SEP 2 1 2012

DIV OF OIL, GAS & MINING

Mr. Ron Wunderlich Permitting Manager CS Mining, LLC P.O. Box 608 Milford, UT 84751

Dear Mr. Wunderlich:

I am writing in regard to your application, dated January 18, 2012, to amend C S Mining's Large Mining Operations Permit for the Hidden Treasure Operation (Division of Oil, Gas and Mining file M/001/0067, Amendment 2). Amendment 2 proposes a number of changes occurring on private, State and BLM lands in the general project area.

Those proposed changes impacting BLM-managed lands serve as the second amendment to your existing BLM approved plan of operations (BLM file UTU-82071, Hidden Treasure Mine) under the applicable 43 CFR 3809 regulations. The permit amendment submissions were found adequate to address the regulatory requirements of 43 CFR 3809.401, covering BLM's plan of operations requirements.

For purposes of NEPA analysis, the water line, the waste dump for the Bawana Extension Pit, the topsoil stockpiling area for the Bawana Extension Pit, the enlargement of the Hidden Treasure waste dump and the guard shack / checkpoint on the main access road to the project area, all being on BLM managed land, were analyzed as Amendment 2 of the current BLM approved plan of operations under the 43 CFR 3809 regulations. The EA also analyzed a power line right of way application to supply power to two existing water wells associated with the project's mill facility.

An environmental assessment was prepared to document the NEPA analysis and a Decision Record was signed on September 13, 2012 authorizing the amendment activities on BLM-managed land, subject to certain mitigation and monitoring measures. No public comments or inquiries on the proposal were received. A copy of the Decision Record is attached. Both the plan of operations activities and the power line construction are subject to the mitigation measures identified in the Decision Record to remain in compliance with the Decision.

The reclamation bond for the permit area as a whole was estimated at \$3,228,000 of which BLM estimates \$1,612,500 is attributable to existing and future reclamation liabilities on the BLM managed land for the plan of operation activities within the overall permit area. The overall permit area reclamation bond has been provided to the Division and a rider provided granting access to the BLM for that portion of the bond associated with disturbances on federal lands. The posting of this bond completes all regulatory requirements for proceeding with permit disturbances on the BLM-managed portions of the project and you are approved to proceed with the amendment work subject to the mitigation measures listed in the Decision Record.

Note that the authorization to proceed with power line construction will occur separately with the granting of the right of way, which will occur as soon as the necessary reclamation bond for those activities is provided to this office.

If you have any questions, feel free to contact Ed Ginouves of my staff at (435) 865-3040.

Sincerely,

Elizabeth Burghard Field Office Manager

Enclosure: Hidden Treasure Plan of Operations –Amendment 2 Decision Record

cc: Tom Munson, DOGM

FINDING OF NO SIGNIFICANT IMPACT

Environmental Assessment DOI-BLM-UT-C010-2012-0020-EA

Hidden Treasure Mine, Amendment 2 Plan of Operation and Water Well Power Line ROW

Based on the analysis of potential environmental impacts contained in the attached environmental assessment, and considering the significance criteria in 40 CFR 1508.27, I have determined that the Hidden Treasure Mine, Amendment 2 Plan of Operation and Water Well Power Line ROW will not have a significant effect on the human environment. An environmental impact statement is therefore not required.

Authorized Officer Buralara

Date

DECISION RECORD

Environmental Assessment DOI-BLM-UT-C010-2012-0020-EA

Hidden Treasure Mine, Amendment 2 Plan of Operation and Water Well Power Line ROW

Authorities

With regard to the activities proposed and regulated under the applicable 43 CFR 3809 regulations, consistent with section 2 of the Mining and Policy Act of 1970 and section 102(a)(7), (8), and (12) of the Federal Land Policy and Management Act, it is the policy of the Department of the Interior to encourage the development of Federal mineral resources and reclamation of disturbed lands. Under the mining laws, a person has statutory right, consistent with Departmental regulations, to go upon the open Federal lands for the purpose of mineral prospecting, exploration, development, extraction, and uses reasonably incident thereto.

With regard to the ROW application for the overhead power line to the water wells, as authorized by the Federal Land Policy and Management Act (FLPMA), the Bureau of Land Management (BLM) issues ROW grants for electrical transmission and distribution systems that are in the public interest. This type of ROW grant is authorized by Title V of FLPMA (43 U.S.C. 1761-1771). It is the policy of the BLM to authorize all ROW applications at the discretion of the authorized officer in the most efficient and economical manner possible.

Compliance and Monitoring

Bureau policy for active plans of operations is quarterly compliance inspections. The operations area will be monitored for noxious weeds during those inspections.

Terms / Conditions / Stipulations

Efforts to minimize impacts to nesting birds shall be incorporated into the construction schedule. Surface disturbances shall occur prior to March 15 or after July 31, as much as possible, in order to minimize impacts to nesting migratory birds within the following areas (listed in priority order): Hidden Treasure dump; the Bawana pit westernmost top soil stockpile; the Bawana dump from the west side to the east side.

The power line, including all access routes and areas disturbed by construction or crushing of vegetation, shall be reseeded.

The power line shall be constructed to standards outlined in "Suggested Practices for Avian Protection on Power Lines: the State of the Art in 2006," Avian Power Line Interaction Committee (APLIC), 2006, unless otherwise agreed to by the Authorized Officer in writing. The BLM reserves the right to require modifications or additions to power line structures constructed under this authorization, should they be necessary to ensure the safety of large perching birds.

Plan Conformancy and Consistency

The proposed action and alternatives have been reviewed and found to be in conformance with the following BLM Land Use Plan and the associated decision(s): Pinyon Management Framework Plan, approved June 10, 1983. Although the Proposed Action is not specifically mentioned in the plan, it is clearly consistent with the objectives, goals, and decisions of the approved plan. It has been determined that the proposed action would not conflict with other decisions throughout the plan.

Alternatives Considered

The only alternative considered was the no action alternative. The no action alternative could be chosen if the proposed action would result in undue and unnecessary degradation of public lands. The resource review concluded that the proposed action would not result in undue and unnecessary degradation and so this alternative was not chosen.

Rationale for Decision

The decision to approve the proposed action is based on it being in conformance with the current land use plan, it being consistent with Section 2 of the Mining and Policy Act of 1970 and section 102(a)(7), (8), and (12) of the Federal Land Policy and Management Act, and it not causing any undue or unnecessary degradation to resource values. The proposal was posted on the Bureau's Electronic Notification Bulletin Board on March 13, 2012 and no public inquiries have been received for the proposal.

Protest/Appeal

A party adversely affected by a decision under this subpart may ask the State Director of the appropriate BLM State Office to review the decision or an adversely affected party may bypass State Director review and directly appeal a BLM decision under this subpart to the Office of Hearings and Appeals (OHA) under 43 CFR Part 4. The original BLM decision remains in effect while State Director review is pending, except that the State Director may stay the decision during the pendency of his or her review. The State Director's decision will be effective immediately and remain in effect, unless a stay is granted by OHA. An adversely affected party may appeal the State Director's decision to OHA under 43 CFR Part 4, except that you may not appeal a denial of your request for State Director review or a denial of your request for a meeting with the State Director. Once the State Director issues a decision under this subpart, it replaces the original BLM decision, which is no longer in effect, and you may appeal only the State Director's decision.

Request for State Director Review

A party adversely affected by this decision may ask the State Director of the Utah State Office, 440 W 200 S, Suite 500, P.O. Box 45155, Salt Lake City, UT 84145-0155 to review the decision. The State Director must receive your request for State Director review no later than 30 calendar days after you receive or are notified of the BLM decision you seek to have reviewed.

Your request for State Director review must be a single package that includes a brief written statement explaining why BLM should change its decision and any documents that support your written statement. Mark your envelope "State Director Review." You must also provide a telephone or fax number for the State Director to contact you. When you submit your request for State Director review, you may also request a meeting with the State Director. The State Director will notify you as soon as possible if he or she can accommodate your meeting request.

The State Director may accept your request and review a decision made under this subpart. The State director will decide within 21 days of a timely filed request whether to accept your request and review the original BLM decision. If the State Director does not make a decision within 21 days on whether to accept your request for review, you should consider your request for State Director review declined, and you may appeal the original BLM decision to Office of Hearings and Appeals (OHA). The State Director will not begin a review and will end an ongoing review if you or another affected party files an appeal of the original BLM decision with OHA under 43 CFR Part 3809.801 before the State Director issues a decision under this subpart, unless OHA agrees to defer consideration of the appeal pending a State Director decision. If you file an appeal with OHA after requesting State Director review, you must notify the State Director who, after receiving your notice, may request OHA to defer considering the appeal.

If you fail to notify the State Director of your appeal to OHA, any decision issued by the State Director may be voided by a subsequent OHA decision.

The State Director will promptly send you a written decision, which may be based on any of the following:

- 1. The information you submit;
- 2. The original BLM decision and any information BLM relied on for that decision;
- 3. Any additional information, including information obtained from your meeting, if any, with the State Director.

Any decision issued by the State Director under this subpart may affirm the original BLM decision, reverse it completely, or modify it in part. The State Director's decision may incorporate any part of the original BLM decision.

Appeals to the Office of Hearings and Appeals

An adversely affected party may bypass State Director review and directly appeal a BLM decision under this subpart to the Office of Hearings and Appeals under 43 CFR Part 4.

In order for OHA to consider your appeal of a decision, you must file a notice of appeal in writing to the Elizabeth Burghard at BLM Cedar City Filed Office, 176 East DL Sargent Drive, Cedar City, UT 84721, within 30 days of this decision. Public notification of this decision will be considered to have occurred on September 25, 2009. Your written appeal must contain your name and address and the BLM serial number of the notice or plan of operations that is the subject of the appeal. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the Authorized Officer.

If you wish to file a petition for stay pursuant to 43 CFR Part 4.21(b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards:

- 1. The relative harm to the parties if the stay is granted or denied,
- 2. The likelihood of the appellant's success on the merits,
- 3. The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and
- 4. Whether the public interest favors granting the stay.

If a petition for stay is submitted with the notice of appeal, a copy of the notice of appeal and petition for stay must be served on each party named in the decision from which the appeal is taken, and with the IBLA at the same time it is filed with the Authorized Officer.

A copy of the notice of appeal, any statement of reasons and all pertinent documents must be served on each adverse party named in the decision from which the appeal is taken and on the Office of the Regional Solicitor, U.S. Department of the Interior, 6201 Federal Building, 125 South State Street, Salt Lake City, Utah 84138-1180, not later than 15 days after filing the document with the Authorized Officer and/or IBLA.

Authorized Officer

Date

Attachments: None